

## Message Text

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PAGE 01 BRASIL 01073 061439Z

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CCO-00 CIAE-00 OTPE-00 FCC-01

INR-07 NSAE-00 OC-05 USIA-06 COME-00 BIB-01 ACDA-05

DODE-00 PM-04 L-03 NASA-01 NSC-05 OES-03 ( ISO ) W

----- 123927

R 061400Z FEB 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 3756

INFO AMCONSUL RIO DE JANEIRO

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E.O. 11652: N/A

TAGS: ETEL, TSPA, BR

SUBJECT: DOMESTIC COMMUNICATIONS SATELLITES: HUGHES INTEREST

REF: (A) STATE 022370, (B) 75 BRASILIA 10956, (C) BRASILIA 0882

1. EMBASSY REFERS DEPARTMENT TO REF B AND PERTINENT PORTIONS OF REF C WHICH SHOULD ANSWER SOME OF DR. WHELLON'S QUESTIONS. ADDITIONALLY, DURING RECENT VISIT OF JOHN EGER, ACTG. DIR. OFFICE OF TELECOMMUNICATIONS POLICY, MINISTER OF COMMUNICATIONS EUCLIDES QUANDT DE OLIVEIRA TOLD DCM HE COULD NOT GUESS WHEN, OR EVEN IF PRES. GEISEL WOULD GIVE FORMAL APPROVAL FOR SATELLITE PROJECT. (THIS CONTRASTS WITH OPTIMISTIC COMMENT LATER MADE BY QUANDT DURING FORMAL INTERVIEW WITH EGER (SEE PARA. 3, REF C) AND WITH REMARKS EARLIER MADE TO EMBOFF BY HEAD OF SATELLITE WORKING GROUP (PARA. 2, REF B)).

2. QUANDT ALSO ADMITTED TO DCM THAT SATELLITE PROJECT DOES NOT RPT NOT HAVE THE HIGHEST PRIORITY AMONG VARIOUS GOB PROJECTS AND THAT TOTAL COST NOW ESTIMATED AT US\$200 MILLION, UP FROM ORIGINAL ESTIMATE OF US\$150 MILLION. ON THE OTHER HAND, QUANDT ALSO SAID THAT IMPORT RESTRICTIONS AND BALANCE OF PAYMENTS PROBLEMS ARE LIMITED OFFICIAL USE

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PAGE 02 BRASIL 01073 061439Z

NOT MAJOR FACTORS IN WEIGHING APPROVAL SINCE

ACTUAL IMPORTS OF RELATED EQUIPMENT WOULD NOT BEGIN BEFORE 1977. FURTHERMORE, IN DISCUSSING EXPANSION OF DOMESTIC TELECOMMUNICATIONS NETWORK TO REMOTE AMAZON AND NORTHEAST REGIONS IN MEEING WITH EGER, QUANDT STATED THAT STUDIES HAD SHOWN USE OF MICROWAVE SYSTEM NOT FEASIBLE DUE TO ENORMOUS DISTANCES INVOLVED, LEAVING LISTENER TO CONCLUDE THAT SATELLITE ONLY VIABLE OPTION. HEAD OF SATELLITE WORKING GROUP MADE SAME POINT IN A MORE DIRECT MANNER TO EMBOFF IN EARLIER CONVERSATION, STATING THAT DEVELOPMENT ACTIVITIES IN AMAZON/NORTHEAST, INCLUDING FORTHCOMING AOIL EXPLORATION PROJECTS UNDER RISK CONTRACT PROGRAM, DEMANDED EXTENSIVE AND RELIABLE TELECOMMUNICATIONS SYSTEM WHICH SATELLITE COULD BEST PROVIDE. OFFICIAL SHOWED EMBOFF MAP PINPOINTING SITES FOR GROUND STATEION, MAMORITY OF WHICH WOULD BE IN THE AMAZON AND THE NORTHEAST.

3. THEREFORE, IN EMBASSY'S OPINION, ANSWER TO QUESTION OF WHETHER PRES. GEISEL WILL APPROVE SATELLITE PROJECT IS: IN ALL PROBABILITY, YES, BUT IT MIGHT WELL BE DELAYED BY SEVERAL MONTHS, AT LEAST.  
CRIMMINS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT PROCUREMENT, COMMUNICATION SATELLITES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1976  
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**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**TAGS:** ETEL, TSPA, BR, US  
**To:** STATE  
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